

Farm Labor Housing Loan Program

Information Session



Agenda

- 1. Introduction**
- 2. Program Overview**
- 3. Program Guidelines**
- 4. Review of Loan Terms**
- 5. Application Process**
- 6. Pre-Site Inspection**
- 7. Rent Determination & Credit**
- 8. Questions & Comments**

Program Overview

The program provides a loan to farmers and agricultural landowners to provide housing for very low-income farmworkers in San Mateo County.

Program Supports:

- Agricultural operators and landowners to help retain and recruit essential farm laborers.
- Provides safe, livable and affordable housing opportunities for essential farm laborers.



Program Guidelines

Phased Implementation Approach

Phase I: Housing Preservation – Enhancing Quality of Existing Housing Stock

- Rehabilitation or renovation
- Replace dilapidated mobile home units
- Legalize or improve units to achieve code compliance

- For first 12 months of the Program

- Maximum Loan Amount: \$100,000 per Property

Phase II: Housing Preservation and Creation

- Construction of new housing units, pending unallocated funding from Phase I

- After the 12th month of the Program

- Maximum Loan Amount: \$250,000 for each of the first 2 units, and \$200,000 for each subsequent unit



Program Guidelines Continued

Eligibility Criteria

Housing Units:

- Must be located in San Mateo County
- Must comply with applicable Planning and Building and Environmental Health requirements
- Must be used as rental housing for farm laborers for the life of the unit

Program Guidelines Continued

Eligibility Criteria

Renters:

Eligible Farm Laborers

- Very low-income (under 50% of Area Median Income or AMI)
 - 50% AMI for Household Size of One: \$68,550
 - 50% AMI for Household Size of Four: \$97,900
- Derives more than 20 hours per week average employment from on- or off-site agricultural operations within San Mateo County and earns at least half their income from agriculturally related work.

Loan Terms

Length	30-Year Loan Term
Interest	Zero-interest Loan
Loan Maximum Amount	<ul style="list-style-type: none">• Phase I: <u>\$100,000</u> per property• Phase II: <u>\$250,000</u> for each of the first 2 units, and \$200,000 for each subsequent unit
Matching Funds	Applicant is required to contribute at least 10% of the project costs.
Repayment	Repayment of the loan will consist of equal-payments of the 30-year loan term
Additional Terms	<ul style="list-style-type: none">• The County will require repayment of the loan principal if the property is sold during the life of the loan period, unless a specific exception is approved in writing by the Department• A deed of trust secured by the Property will be required• Agricultural operators and landowners and tenants must enter into written lease agreements



Application Process

1) Preliminary Meeting

Introduction of proposed activity and confirm eligibility

2) Letter of Interest

If Phase I eligible, a formal Letter of Interest will be submitted to the Department of Housing

3) Pre-Site Inspection (*Strongly Encouraged*)

Onsite pre-site inspection for the proposed activity is conducted

4) Full Application Submission

If activity is deemed feasible and in compliance of applicable codes, full application will be submitted to the Department of Housing

Farmworker Housing Pre-Site Inspection



Farmworker Housing Pre-Site Inspection

Purpose: To support and ensure permissible, safe and habitable conditions for agricultural workers and their families within the unincorporated areas of San Mateo County seeking to qualify under the County Department of Housing's Farm Labor Housing Loan Program.

Applicability: Existing permitted and unpermitted farm labor housing units seeking to qualify for the County's Farm Labor Housing Loan Program. The Pre-Site Inspection offers a preliminary determination of feasibility for permitting and/or upgrade.

- The County strongly encourages potential applicants seeking Farm Labor Housing Loan Program funding to legalize and/or improve existing farm labor housing units to take advantage of this service



Farmworker Housing Pre-Site Inspection

Scope of Pre-Site Inspection: Pre-site inspections will be conducted by a County of San Mateo Building Inspector. The scope of the inspection will focus on farm labor housing units proposed for legalization, repair and/or rehabilitation and the necessary modifications and/or improvements to ensure the units will comply with current codes.

- Representatives from Planning and/or Environmental Health Services may be invited to join if there might be zoning, septic or well concerns.
- If the inspector observes an obvious or immediate unrelated life-threatening health or safety issue during the site inspection, they will be obligated to identify it and require the applicant to correct the issue immediately.



Farmworker Housing Pre-Site Inspection

Cost: Waived – no cost to applicant.

Timeframe: Expect inspection to occur within 2 weeks from receipt of request.

Requests for Pre-Site Inspection: Property owner, or a loan applicant may request an inspection during the preliminary meeting or contacting the Building Inspection Section at (650) 599-7311 or by email to buildinginspections@smcgov.org.

The following is needed with the request:

- Requestor's name and contact.
- Property owner's name and contact – the County must obtain consent from the property owner to inspect.
- Assessor's Parcel Number (APN) or Site Address.
- Site Plan showing location of units for inspection relative to property boundaries, access roadway, or other visibly distinguishable features.



Rent Determination & Repayment Credit



Rent Determination

Rent & Utilities must be the lower of:

30% of Tenant's Household Gross Income:

Household occupants will contribute no more than *30% of their gross income* for rent and utilities. Rent and utility allowances (based on the Multi-Family Utility Allowance Schedule found at <https://www.smcgov.org/housing/utility-allowance-schedules>) (“Utility Schedule”) for the Housing Units must not exceed 30% of the farm laborer's gross income

OR

HUD's Maximum Allowable Rent:

Rents not to exceed extremely low rent amounts (based on HUD's Maximum Affordable Rent Payment Schedule found at <https://www.smcgov.org/housing/income-limits>) (“Rent Schedule”) for the duration of the loan.

- In 2025, Extremely Low Rent amount for a 3BR is \$1,527

Rent Determination Continued – 50% AMI

Rent for a Tenant/Farm Laborer

30% of Tenant's Household Gross Income

Rent and utilities must not exceed 30% of the tenant's household gross income

- AMI at 50% for Household of Four: \$97,900
- $\$97,900 / 12 \text{ Months} = \$8,158.33$

30% of Monthly Income: \$2,447.50
 (*Rent & Utilities cannot exceed this amount)

OR



HUD's Maximum Allowable Rent

Extremely Low Income (30%AMI)

- Max Rent & Utilities for 3BR Unit: \$1,886 (per month)

Monthly Rent & Utilities: \$1,886

Rent Determination Continued – Average Income

Rent for a Tenant/Farm Laborer

30% of Tenant's Household Gross Income

Rent and utilities must not exceed 30% of the tenant's household gross income

- Average Household Income of Four: \$72,000
- \$72,000/12 Months = \$6,000

30% of Monthly Income: \$1,800

(*Rent & Utilities cannot exceed this amount)

OR



HUD's Maximum Allowable Rent

Extremely Low Income (30%AMI)

- Max Rent & Utilities for 3BR Unit: \$1,886 (per month)

Monthly Rent & Utilities: \$1,886



Credit & Example of Repayment

Credit

If the borrower charges a qualifying household below the max allowable rent, the total difference between the max allowable rent and the rent charged would then be credited towards the required repayment amount.

Repayment Example: \$100,000 Loan – Average Income

Max Allowable Charged

- Maximum Rent Amount: \$1,800
- Monthly Rent Collected/Maximum Amount Collected: \$1,800
- Annual Rent Collected: \$21,600
- Annual Rental Credit: \$0 (Max Allowable Rent – No Credit applied)
- Annual Loan Payment Due: **\$3,333.36**

Less than Max Allowable Charged

- Maximum Rent Amount: \$1,800
- Monthly Rent Collected/Maximum Amount Collected: \$1,500
- Annual Rent Collected: \$18,000
- Annual Rental Credit: \$3,333.36 (Maximum Credit Applied)
- Annual Loan Payment Due: **\$0**



Credit & Example of Repayment – 50% AMI Level

Repayment Example: \$100,000 Loan for 3BR Unit

- Estimated Household Income: \$97,900 (2 employed adults earning \$48,950 per year)
 - Monthly Allowable Charges (*Rent & Utilities cannot exceed 30% of the tenant's gross income*) = **\$2447.50**
 - Actual Monthly Charge to Tenant: **\$2000**
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- Annual Rent Collected: \$24,000
 - Rental Credit (*Cannot Exceed Annual Loan Amount*): \$3,333.36
 - Annual Loan Payment: \$3,333.36
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- Borrower Payment: **\$0 (Credit Applied)**



Credit & Example of Repayment – Estimated Average Income

Repayment Example: \$100,000 Loan for 3BR Unit

- Estimated Household Income: \$72,000 (2 employed adults earning \$36,000 per year)
 - Monthly Allowable Charges (*Rent & Utilities cannot exceed 30% of the tenant's gross income*) = **\$1,800**
 - Actual Monthly Charge to Tenant: **\$1500**
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- Annual Rent Collected: \$18,000
 - Rental Credit (*Cannot Exceed Annual Loan Amount*): \$3,333.36
 - Annual Loan Payment: \$3,333.36
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- Borrower Payment: **\$0 (Credit Applied)**



Contact Us

Department of Housing - Alejandro Segura

- Phone: (650) 382-4897
- Email: asegura@smchousing.org
- Website: www.smcgov.org/housing
- *For more information about the program or to request a preliminary meeting*

For other housing related matters

To report matters regarding **unsafe housing structures**, please contact the **Planning & Building Department** at (650) 363-7821

To report matters regarding **health, water and sanitation**, please contact **Environmental Services** at (650) 363-4404 or

FarmWorkerHousingSupport@smcgov.org

Questions or Comments?

